Government of Saskatchewan

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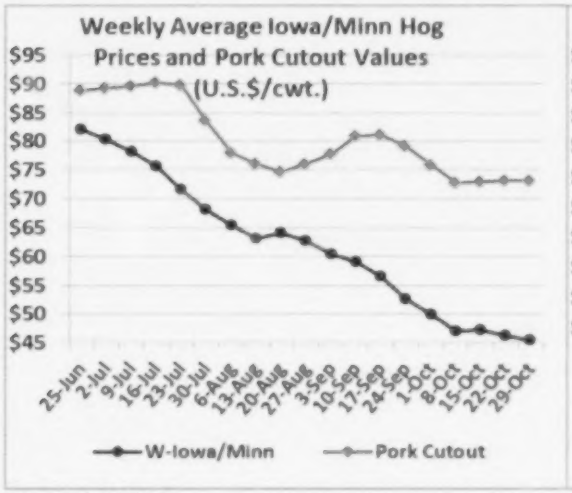
Weekly Hog Report

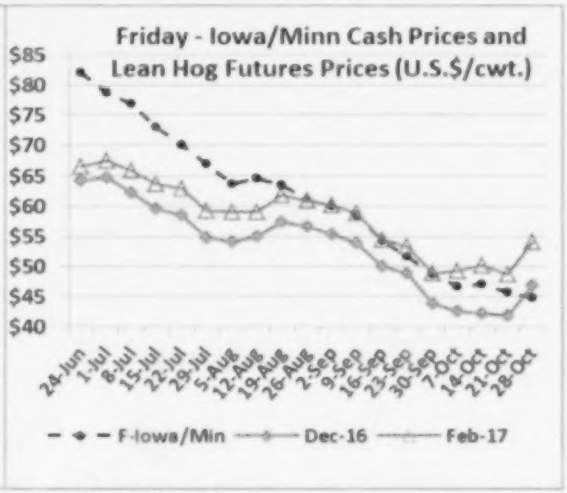
October 31, 2016

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) were mixed over the week but continued lower, week-over-week. Hog prices on Friday October 28 averaged US$44.95 per cwt, down US$0.86 per cwt from US$45.81 per cwt the previous Friday.
The negotiated weekly base price last week averaged US$45.32 per cwt, down US$0.85 per cwt from US$46.17 per cwt the previous week. The spread between cash hog prices and pork cutout values remain very large, indicating strong packer margins.



Source: LMIC



Source: LMIC, CME

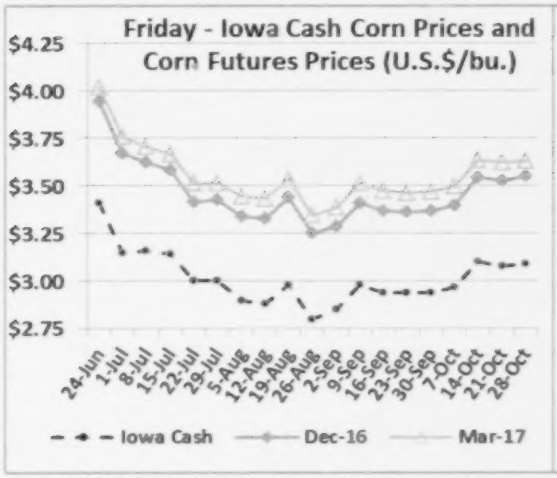
In Canada, the new contract Signature#5 (Maple Leaf) Index 100 daily price for Friday October 28, 2016 was $120.36 per ckg, steady from $120.27 per ckg from the price the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged $120.31 per ckg, down slightly but overall steady from the previous weeks' average price of $120.35 per ckg. The Canadian dollar edged lower again last week to close Friday at 74.72 cents, down 0.32 cents from 75.04 cents the previous Friday.

Futures Markets

United States lean hog futures daily prices were primarily higher over the week edging higher most days (except Wednesday) helping prices move higher; week-over-week. The nearby December contract increased US$4.950 per cwt to settle Friday at US$46.800 per cwt. The February 2017 lean hog futures contract increased US$5.275 per cwt last week to settle Friday at US$54.00 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices moved higher last week helped by stronger lean hog futures prices. Weighted average cash prices for iso-weans (12lb) last week were US$20.90 per head, up US$4.86 per head from US$16.04 per head the previous week. Feeders (40lb) averaged US$24.80 per head, up US$1.34 per head from US$23.46 per head, the previous week.



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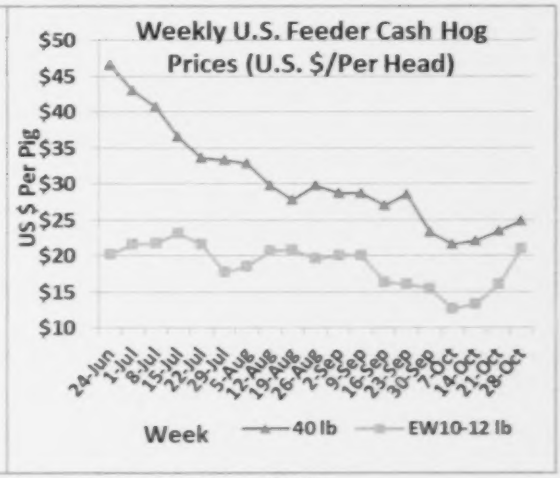

Source: Iowa Agriculture, CME

U.S. corn prices edged higher last week. Iowa cash corn prices increased one cent to settle Friday at US$3.09 per bushel. Daily U.S. corn futures prices were mixed over the week with losses on Friday to keep price gains low, week-over-week. The December 2016 corn futures contract increased 2½ cents to settle Friday at 3.55 per bushel, while the March 2017 corn contract increased one cent per bushel to settle Friday at US$3.63 ¼ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending October 29 were estimated at 2.401 million head, down 4.5 per cent from the record 2.514 million head the previous week, but up 6.5 per cent from 2.254 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks ending October 29 averaged 2.411 million head per week, up 5.0 per cent from 2.296 million head the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending October 22, 2016 were estimated at 454,226 head, up 22.5 per cent from 370,681 head the previous shorter Canadian Thanksgiving week, and up 27.6 per cent from 355,958 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 422,783 head, up 4.9 per cent from 402,991 head over the same period in 2015. Year-to-date for 2016, hogs slaughtered in Canada totaled 17,059,291 head, up 1.9 per cent from 16,742,159 head the same period in 2015. (Source: Agriculture and Agri Food Canada/Canadian Food Inspection Agency)

Meat Production

U.S. pork production for the week ending October 29, 2016 was estimated at 504.4 million lb., down 4.4 per cent from 527.4 million lb. the previous week, but up 5.1 per cent from 479.8 million lb. the same week a year ago. Pork production over the last four week's ending October 29 was estimated to average 506.6 million lb., up 4.1 per cent from 486.8 million lb. over the same four week period a year ago.

U.S. beef production for the week ending October 29 was estimated at 515.6 million lb., up 2.2 per cent from 504.5 million lb. the previous week, and up 10.0 per cent from 468.8 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending October 22, 2016, was estimated to average 2.164 billion lb., up 2.9 per cent from 2.103 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2016 is estimated to be up 2.5 per cent compared to the same period in 2015.

United States Weekly Meat Production

(Oct. 22) Four Week Average - Million Lb.			Percent Change	
	2015	2016	4 Week	YTD 2016
Pork	486.2	509.2	4.7%	0.9%
Beef	477.1	510.1	6.9%	5.0%
Chicken	1,004.7	1,013.1	0.8%	1.9%
Turkey	134.6	131.4	-2.4%	4.8%
Total	**2,102.6**	**2,163.7**	**2.91%**	**2.54%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending October 29, 2016 averaged US$73.15 per cwt, steady and slightly higher from US$73.08 per cwt the previous week, but down 11.4 per cent from US$82.55 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending October 29, 2016 averaged US$182.00 per cwt over the week, up US$2.01 per cwt or 1.1 per cent from US$179.99 per cwt the previous week, but down 17.0 per cent from US$219.22 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending October 29, 2016 averaged US$110.59 per cwt, down US$3.75 per cwt or 3.3 per cent from US$114.34 per cwt the previous week, but up 2.4 per cent from US$107.96 per cwt the same week a year ago.

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